Interim CFO says UCLA's budget deficit is markedly lower than previous estimates

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UCLA is projected to generate a $220 million deficit for the 2025-26 fiscal year, its interim chief financial officer announced in a Thursday email. The estimate comes more than a month after Stephen Agostini, the university's former CFO, alleged to the Daily Bruin that financial mismanagement – both from current and past administrators – contributed to an annual projected deficit of $425 million. Reem Hanna-Harwell, who became UCLA's interim chief financial officer in February, said in the email that higher deficit estimates previously reported in the media were inaccurate, as they included spending requests that had not yet been approved.

Agostini also alleged that financial reports posted by the school from 2002 to 2023 were unaudited and contained substantial errors. Chancellor Julio Frenk announced in a campuswide email that Agostini would no longer serve as CFO four days after the Daily Bruin published an article with Agostini's allegations. Mary Osako, UCLA's vice chancellor for strategic communications, said in a statement the same day that Agostini's figure was inaccurate, but she did not provide a different figure.

Hanna-Harwell attributed the deficit to greater financial pressures facing higher education – such as curtailed state funding, rising operating costs and "an unprecedented attack on higher education" – rather than internal mismanagement. Hanna-Harwell added in the Thursday email that her team has collaborated with campus units to decrease spending.

"Importantly, we are also working with academic and administrative units across the campus to understand shortfalls that require attention beyond our central account," she said. "This process is ongoing and requires parsing out of recurring deficits from one-time shortfalls and also requires us to look beyond 2025-26 to incorporate plans for deficit reductions that may already be underway."

Hanna-Harwell said in the email that closing the budget deficit will require a multi-year plan. She added that the university is exploring new revenue streams. Hanna-Harwell also said in the email that she is prioritizing shared governance by working with the Academic Senate's Council on Planning and Budget, Frenk's Executive Action Budget Group, the controller's office and the treasury. She added that the UC Office of the President is also reviewing UCLA's spending projections. Frenk announced the creation of the Executive Action Budget Group in November, which he said was a leadership coalition dedicated to fighting UCLA's budgetary shortfall.

"These challenges are serious and require difficult decisions, but they also provide an opportunity to sharpen our priorities and invest more strategically in our future," Hanna-Harwell said in the email.